

### ***- Hall: Farmers Shouldn't Have to Pay for the USDA's Mistake -***

*Washington, DC* – Today U.S. Representative John Hall (D-NY19) called on the United States Department of Agriculture (USDA) to forgive any balances on outstanding federal loans that were taken out by onion growers in New York's Black Dirt region following severe weather and crop damage that occurred in the summer of 1996.

"The onion growers have been struck by bad luck, bad harvests and bad weather including three 'fifty-year' floods that have occurred in the past few years," said Hall. "The last thing they should have to suffer from is bad policy from the federal government. The farmers shouldn't have to pay for the USDA's mistake which forced them to take out these loans over a decade ago."

In July of 1996, a hail storm struck approximately 2,500 acres of onion fields in Orange County, New York. Scores of onion leaves were damaged, allowing water and bacteria to seep into the heart of the plants. Following the storm, local farmers asked USDA permission to destroy crops, but were informed by USDA that under existing crop insurance policies it would be considered a sound farming process to care for the onion crop and bring it to harvest.

Since refusal to abide by USDA's guidance would have resulted in forfeiture of crop insurance indemnity, Orange County's onion growers were forced to finance multiple pesticide applications, hand weeding, harvest preparation, grading, and packaging for crops that were eventually rendered unmarketable.

In September 1996, the USDA switched its policy and gave the onion growers permission to destroy the onions in the field. At that point, however, the vast majority of farmers had already completed the harvest, spending large amounts of capital to care for the rotten crops. Consequently, growers in the region were forced to seek funding through large USDA loans to survive.

"These loans, which were taken out in large part as a result of inconsistent or contradictory policy guidance from USDA, continue to impose an unfair financial burden on local onion growers," Hall wrote in a letter to Agriculture Secretary Mike Johanns. "In light of the new operational challenges facing these growers as the result of recent, severe flooding, I urge you to eliminate this ongoing cost by forgiving the remaining balance of the loans issued between September of 1996 and July of 1997 to farmers in the Black Dirt Region of Orange County, New York."

The remaining balances of these loans total under \$1 million.

This past spring, Hudson Valley farms were dealt another blow when a third "50 year" flood destroyed recently planted bulbs. The flooding and storm damage was severe enough to warrant a federal disaster declaration for Orange County, and has significantly affected local growers.

"By forgiving these loans the USDA would simultaneously remedy a previous injustice while

providing desperately needed financial assistance to growers in the region," said Hall. "It's the right thing to do."

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